


# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Decision	2003/0020(COD) Procedure completed
Consumers: financing Community actions 2004-2007, general framework Amended by <a href="#">2003/0303(COD)</a>	
Subject 4.60 Consumers' protection in general	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ENVI</b> Environment, Public Health, Consumer Policy		25/03/2003
		PSE <a href="#">WHITEHEAD Phillip</a>	
European Parliament	Committee for opinion	Rapporteur for opinion	Appointed
	<b>BUDG</b> Budgets		19/02/2003
		PSE <a href="#">DÜHRKOP DÜHRKOP Bárbara</a>	
	<b>JURI</b> Legal Affairs and Internal Market	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Employment, Social Policy, Health and Consumer Affairs2549</a>		01/12/2003
European Commission	Commission DG	Commissioner	
	<a href="#">Health and Food Safety</a>		

Key events			
31/01/2003	Legislative proposal published	<a href="#">COM(2003)0044</a>	Summary
10/02/2003	Committee referral announced in Parliament, 1st reading		
17/06/2003	Vote in committee, 1st reading		Summary
17/06/2003	Committee report tabled for plenary, 1st reading	<a href="#">A5-0232/2003</a>	
23/09/2003	Debate in Parliament		
24/09/2003	Decision by Parliament, 1st reading	<a href="#">T5-0403/2003</a>	Summary
01/12/2003	Act adopted by Council after Parliament's 1st reading		
08/12/2003	Final act signed		

08/12/2003	End of procedure in Parliament		
09/01/2004	Final act published in Official Journal		

### Technical information

Procedure reference	2003/0020(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
	Amended by <a href="#">2003/0303(COD)</a>
Legal basis	EC Treaty (after Amsterdam) EC 153
Stage reached in procedure	Procedure completed

### Documentation gateway

Legislative proposal	<a href="#">COM(2003)0044</a>	31/01/2003	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0232/2003</a>	17/06/2003	EP	
Economic and Social Committee: opinion, report	<a href="#">CES0936/2003</a>	16/07/2003	ESC	
Economic and Social Committee: opinion, report	<a href="#">CES0970/2003</a> <a href="#">OJ C 234 30.09.2003, p. 0086-0090</a>	16/07/2003	ESC	
Text adopted by Parliament, 1st reading/single reading	<a href="#">T5-0403/2003</a> OJ C 077 26.03.2004, p. 0088-0236 E	24/09/2003	EP	Summary
Follow-up document	<a href="#">COM(2006)0193</a>	04/05/2006	EC	Summary
Follow-up document	<a href="#">SEC(2011)0414</a>	25/03/2011	EC	Summary

### Additional information

European Commission	<a href="#">EUR-Lex</a>
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### Final act

[Decision 2004/20](#)  
[OJ L 005 09.01.2004, p. 0001-0007](#) Summary

## Consumers: financing Community actions 2004-2007, general framework

**PURPOSE** : to establish a general Framework for Community actions in support of consumer policy for the period from 1 January 2004 to 31 December 2007. **CONTENT** : this proposal establishes a direct link between the objectives and priorities of the Consumer Policy Strategy 2002-2006 and the actions to be financed under the proposed Decision. The Strategy establishes the following objectives: - a high level of consumer protection through the establishment of consumer protection rules and practices and the integration of consumer interests into other Community policies; - effective enforcement of consumer protection rules, through market surveillance, administrative and enforcement cooperation and consumer access to resolution of complaints and disputes; and - proper involvement of consumer organisations in Community policies affecting consumer interests. The actions to be taken under the Framework concern the following specific areas: - protection of consumer health and safety with respect to services and non-food products; - protection of the economic interests of consumers; - promotion of consumer information and education; - promotion of consumer organisations at European level. The total budget proposed for the four-year period amounts to EUR 72 million, or EUR 18 million per year, in operational credits and EUR 32 million, or EUR 8 million per year, in human resources and other administrative expenditure. The Report on the implementation of actions under the previous programme set up by Decision 283/1999/EC found that, given the small size and short duration of many of the specific projects co-financed, the administrative cost

was often disproportionately high, and the effectiveness and impact of the projects limited. The present proposal therefore includes a call for proposals for specific projects at least every two years, and the possibility of co-financing up to a maximum of 70%. Decision 283/1999/EC provides that financial support for European consumer organisations may not, in principle, exceed 50% of their operational expenditure. The present proposal fixes a definitive ceiling of 50% for this type of financial contribution. The proposal, however, makes explicit provision for financing up to 95% of the expenditure of organisations representing consumers interests in the development of standards for products and services at Community level. The present proposal introduces specific provisions for actions jointly undertaken by the Commission and the Member States. It concerns: - financial contributions to bodies that are part of existing Community networks set up to provide information and assistance to consumers to help them exercise their rights and to obtain access to appropriate dispute resolution and - actions to be developed in the area of administrative and enforcement co-operation with the Member States. European consumer organisations must be independent of industry, commerce and other business interests, and their primary objective must be to promote the health, safety and economic interests of European consumers. The present proposal, as opposed to the current Decision, does not incorporate selection and award criteria for financial contributions to specific projects.?

## Consumers: financing Community actions 2004-2007, general framework

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The committee adopted the report by Philip WHITEHEAD (PES, UK) amending the proposal under the 1st reading of the codecision procedure. The main amendments were as follows: - bearing in mind the need to ensure that sufficient resources are made available to the 10 new Member States to fund the new Consumer Policy Strategy, the committee wanted to allow, in certain cases, for the possibility of exceeding the 70% ceiling on Community funding provided for in the proposal. It therefore specified that this ceiling could be exceeded "for specific purposes involving effective implementation of the 'acquis communautaire' on consumer protection in the new Member States"; - administrative procedures should be made more flexible by introducing a fast-track procedure for small consumer organisations applying for minor sums (not exceeding EUR 25 000). The committee argued that small organisations were often put off by the heavy administrative burden of applying for project funding; - the definition of independent consumer organisations - and the criteria for the funding thereof - should be strict and the organisations should provide the Commission with "satisfactory accounts of their membership, internal rules and sources of funding"; - more pressure should be put on the Commission to ensure prompt payment, including "naming and shaming" Commission departments and officials responsible for failure to pay promptly; - the commitment procedure should not be used for these programmes as it would cause undue delays in granting funds; - as regards the type of measures to be financed, the committee pointed out that there was a general feeling that the traditional Young Consumer Competition was no longer as effective as it was and called for an independent inquiry into its take-up and cost-effectiveness; - lastly, the committee added a fourth objective (integration of consumer protection objectives into all relevant EU policy areas) and a corresponding new measure providing for exchange of information as to how consumer rights have been integrated into other areas of policy. ?

## Consumers: financing Community actions 2004-2007, general framework

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The European Parliament adopted a resolution with 503 votes in favour, 20 against and 18 abstentions. The rapporteur was Philip WHITEHEAD (PES, United Kingdom). The principal amendments were as follows: - in order to improve administrative efficiency, and the effectiveness and impact of specific projects, calls for specific projects should be published at least every two years and support should be provided for up to a maximum of 75% (increased from 70%) of the cost of the eligible expenses for implementing the projects; - the financial framework for the period from 1 January 2004 to 31 December 2007 is set at EUR 72 million, of which EUR 54 million for the period until 31 December 2006. For the period following 31 December 2006, the amount proposed will be deemed to be confirmed if it is consistent for this phase with the financial perspectives in force for the period commencing in 2007; - the Community contribution to joint actions 9 and 10 will, in principle, be 50%, and in no event exceed 70%, of the total cost of the action. The Commission will set out clearly which joint actions will be eligible for a financial contribution of more than 50%; - the financial contributions for action 18 will, in principle, be 50%, and in no event exceed 75% (up from 70%) of the eligible expenses. The Commission will set out clearly which specific projects will be eligible for a financial contribution of more than 50%; - at an early stage in the evaluation process of applications for financial contributions, the Commission must inform the applicants if they are not eligible or if their application does not provide the information that is necessary to verify the application's conformity with the selection criteria; - within three months of the deadline for the submission of applications, the Commission will decide on the attribution of financial contributions for actions 16, 17 and 18; - there are amendments to Actions 15 and 18. Action 18 includes specific projects undertaken by consumer organisations and aiming to accelerate the effective implementation of the *acquis communautaire* on consumer protection in the new Member States as well as projects promoting the crossborder exchange of information and best practice concerning the integration of consumer rights into other policies; - the definition of independent consumer organisations should be strict and the organisations should provide the Commission with "satisfactory accounts of their membership, internal rules and sources of funding".?

## Consumers: financing Community actions 2004-2007, general framework

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**PURPOSE :** to set out the arrangements for the financial support provided by the Community to organisations and bodies active in the area of consumer protection so that they could be a more effective driving force in raising consumer awareness. **LEGISLATIVE ACT :** Decision No 20/2004/EC of the European Parliament and of the Council establishing a general framework for financing Community actions in support of consumer policy for the years 2004 to 2007. **CONTENT :** This Decision establishes a general framework for Community actions in support of consumer policy. The actions to be undertaken under this framework will supplement the actions undertaken in the Member States to protect the health, safety and economic interests of consumers and to promote their right to information and education and to organise themselves in order to safeguard their interests. The actions to be undertaken under this framework concern the following specific areas: - protection of consumer health and safety with respect to services and non-food products; - protection of the economic and legal interests of consumers; - promotion of consumer information and education; - promotion of the capacity of consumer organisations to contribute at European level. The actions are listed in the Annex. Certain actions are directly implemented by the Commission, and others are jointly financed by the Community and one or more Member States, or by the Community and the competent authorities of the third countries participating. Still others benefit from financial contributions by the Community. The financial framework for the implementation of this Decision for the period from 1 January 2004 to 31 December 2007 is set at EUR 72 million, of which EUR 54 million will cover the period until 31 December 2006. For the period

## Consumers: financing Community actions 2004-2007, general framework

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This Report gives an overview of the implementation of Decision 20/2004/EC, which sets up a general framework for actions in support of consumer policy between 2004-2007. It is a detailed Report in which each individual Action is examined and in which the budgetary figures are analysed. The annual commitment appropriations for 2004 and 2005 amount to about EUR 20.6 million. As from 2005, Bulgaria and Romania began participating on the programme. In 2004, 93% of the operational and 85% of the administrative credits were utilised. For the year 2005, the execution rate stood at about 97% for both. Highlights of spending on the framework can be summarised as follows:

Action 1: Scientific Advice, risk analysis relevant to consumer health and safety.

In 2004-2005, around EUR 280 000 was spent on meetings of the Scientific Committee on Consumer Products. This amount was used to convoke 137 meetings resulting in the adoption of 55 reports and scientific opinions. The CHEN RISK and CHEM TEST projects were funded with EUR 500 000. An additional EUR 41 371 was spent on an assessment of indicators of repro-toxic effects resulting from exposure to chemical products.

Action 2: Preparation of legislative and other regulatory initiatives.

EUR 500 000 was spent on an annotated compendium/database and comparative analysis of the implementation of the consumer acquis in the Member States. Fourteen workshops on a ?Common Frame of Reference on European Contract Law cost a further EUR 358 000.

Action 3: Monitoring and assessment of market developments impacting on consumer interests.

A focus group study was conducted costing EUR 450 000. A further study was launched on comparative price surveys of services in the EU countries costing an additional EUR 264 200. A brainstorming session on consumer detriment with expert economists was organised in March 2005 and cost EUR 26 200.

Action 4: The collection and exchange of data for the integration of consumer interests in EU policies.

Around EUR 2.1 million was committed to surveys on consumer perceptions and opinion on financial services, services of general interest and passenger rights. In 2005 a further EUR 440 000 was spent on a repeat of the focus groups in order to evaluate the data collected. EUR 650 000 was earmarked for a survey on consumer perception and behaviour in cross-border shopping. Around EUR 1.25 million was spent on a survey to measure consumer satisfaction with specific services in all EU countries.

Action 5: Co-ordination of surveillance and enforcement actions.

Some EUR 220 000 was spent on a feasibility assessment and the creation of a mock-up prototype for a database and IT system to support the implementation of Regulation 2006/2004 on consumer protection co-operation.

Action 7: Monitoring and assessing the safety of non-food products and services.

Under this heading money was allocated to measures supporting implementation of the ?General Product Safety Directive?. Funds were allocated to the setting up of an inventory which compares health and safety risk assessment approaches used for consumer products as relied upon by both enforcement and certification bodies.

Action 8: Monitoring Alternative Dispute Resolution Schemes.

A comparative analysis of means of redress available to consumers in EU Member States, the USA, Canada and Australia was launched at a cost of EUR 185 400.

Action 9: Joint Action ? Financial contributions for public or non-profit bodies working on consumer interests.

A total of EUR 4.7 million was contributed towards consumer help networks in 2004 as part of joint actions with national authorities. In 2005 around EUR 4 million was earmarked to Helpnet, which included new offices in Malta and Slovakia, IT tool and logo development. The merger of the networks has resulted in a single, centralised service for consumers with cross border shipping problems and higher cost efficiency.

Action 10: Joint Action ? Financial contributions for specific joint surveillance and enforcement actions.

A new web-based Information and Communications System for Market Surveillance was co-financed at a cost of EUR 110 000.

Action 13: Training.

Around EUR 1.3 million was spent on 18 training sessions for consumer associations between 2004 and 2005. More than 50% of the participants came from the new Member States, Romania and Bulgaria. They were given training in management, lobbying and EU law. Workshops for consumer associations experts on chemicals in consumer products and on product safety monitoring were organised in 2004 and cost of EUR 87 500.

Action 14: Information actions on consumer rights.

EUR 2 million was spent on consumer rights information campaigns. The promotion of consumer associations in Poland was launched in May 2005. EUR 2 million has been earmarked for launching similar campaigns in the Czech Republic, Slovakia and Slovenia . An additional EUR 126 000 has been earmarked to maintain and update the consumer affairs web pages on the europa site.

Action 15: Consumer Education targeted at young consumers and the development of on-line interactive consumer education tools.

EUR 3.2 million was spent on the second and third editions of the ?European Consumer Diary?, which targets consumer between the ages of 16 and 18.

Action 16 and 17: Financial contributions to the function of European Consumer Organisations.

Grants for operating costs were allocated to the European Association for the Co-ordination of Consumer Representatives in Standardisation

(ANEC, about EUR 1.2 million in 2004 and EUR 1.3 million in 2005). BEUC, the European Consumer Association received funding worth EUR 1.2 million in 2004 and EUR 1.25 in 2005.

Action 18: Financial contributions to specific Community and national projects.

A total of 15 specific projects were co-financed totalling EUR 2.3 million. The main beneficiaries were national consumer organisations and other NGOs. Five projects benefited from 75% co-funding reserved for the new Member States. Four projects were selected for co-financing at an estimated total cost of around EUR 2.35 million.

Action 19: Evaluation of actions undertaken under this framework.

EUR 149 730 was spent on an assessment of the CLAB database on unfair contract terms. In 2005, EUR 230 000 was spent evaluating the European Consumer Diary and on an assessment of the impact of the EU Consumer Policy Strategy 2002-2006 on national consumer policies.

No actions were financed under the 6, 11 and 12 headings.

To conclude, expenditure under the framework Decision has been subject strictly to consumer policy objectives. Many of the actions focus increasingly on building up a knowledge-base for policy-making purposes. The merger of European consumer help centres has increased cost-efficiency and Member State joint actions has provided a more secure financial base from which to work. New instruments to support national consumer associations have been given a higher priority.